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once each year, either in addition to any instalment payments you may elect, or without instalment payments.

**Lifetime Annuity Contract** — In lieu of (1) receiving your account in a lump sum at retirement, or (2) deferring receipt of your account, you may elect to convert all, or part, of your eligible assets to an annuity. This arrangement also will provide a monthly income after retirement. The conversion would be made through an insurance carrier selected by GM, at favorable group rates.

**Individual Retirement Account** — Another alternative available at retirement, outside the Savings-Stock Purchase Program, is the conversion, or "rollover," of certain S-SPP assets to an Individual Retirement Account (IRA). Similar to the Annuity Option, an IRA will provide for deferred income. Any "rollover" of assets would be arranged between you and a bank or investment company of your choice.

Refer to page 4 for additional information on the Savings-Stock Purchase Program.

## EMPLOYEE STOCK OWNERSHIP PLAN

If (1) you are age 70-1/2, or over, or (2) your Plan assets are valued at \$3,500, or less, you will receive a distribution of assets in your ESOP account following your retirement. If you are under age 70-1/2 and your assets are valued in excess of \$3,500, no distribution can be made to you without your consent. If you do not consent to a distribution, your assets will remain in your account until you attain age 70-1/2. The distribution will consist of your entire account balance at that time. Refer to page 10 for additional information about the Employee Stock Ownership Plan.

## HEALTH CARE COVERAGES

Generally, your participation in the Health Care Program can be continued in retirement.

However, if you (1) retire voluntarily at or after age 55 and prior to age 60 when your combined years of age and credited service total less than 85, (2) retire at or after age 60 and prior to age 65 without retirement benefits, or (3) retire at any age on or after February 1, 1989 with less than 10 years of credited service under the Salaried Retirement Program, you will be required to pay the full monthly cost of any continuing coverage.

During periods that basic coverages are in effect, you also may continue your CMEP coverage, by making the applicable monthly contribution.

As a retiree, any dependent you acquire on or after July 1, 1988, will be limited to sponsored dependent coverage, for which you pay the full cost.

Former employees eligible only for a deferred retirement benefit are not entitled to any General Motors health care coverage.

## LIFE INSURANCE

In retirement, your life insurance coverages may be continued, as follows . . .

- Generally, your basic life insurance will commence to reduce upon retirement, as shown on page 54. If you retire under the total and permanent disability provisions of the Retirement Program, your basic life insurance will continue, unreduced until age 65. Your extra accident insurance will cancel at retirement.
- Your survivor income benefit insurance (SIBI) will be continued during retirement until age 65. However, if you traded in your SIBI coverage for "Flex" credits for the year in which your retirement becomes effective, you will not have this insurance in retirement.

These coverages will be continued at GM expense (except for voluntary retirement as early as age 55 and prior to age 60 when your combined years of age and credited service total less than 85).

If you retire voluntarily as early as age 55 and prior to age 60 when your combined years of age and credited service total less than 85, you may continue your basic life and survivor income benefit insurance to age 65, provided you contribute 50¢ per month per \$1,000 of basic life insurance in force.

Refer to page 54 for an explanation of continuing life insurance protection in retirement.

If you have at least 5 years of participation at age 60 and cease active work for any reason, you may continue basic life and survivor income benefit insurance to the end of the month in which you attain age 65. If you are eligible for retirement benefits, GM will pay the full cost of such insurance. If you are not eligible for retirement benefits, you are required to contribute 50¢ per month per \$1,000 of basic life insurance in force.

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Optional and dependent life insurance in force when you retire may be continued to age 75 and age 70, respectively, provided (1) your basic life insurance remains in force, and (2) you make the required monthly contributions. See pages 55 and 56 for a further explanation of these coverages after age 65.

### PERSONAL ACCIDENT INSURANCE

In retirement, you may continue Personal Accident Insurance on yourself and any eligible dependents for your lifetime, by paying the required contributions. However, after you are age 70, insurance in force on any person may not exceed \$50,000.

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- A Transition Benefit . . .

of \$400 per month may be payable to your eligible survivor for up to 24 months.

However, the monthly transition benefit will be \$225 if the survivor(s) is, or becomes, eligible for certain Social Security benefits.

- A Bridge Benefit . . .

of \$400 per month may be payable to your surviving spouse. To be eligible, (1) your spouse must be at least age 45 as of the date of your death, or (2) if under age 45 as of the date of your death, your surviving spouse's age, when combined with your years of participation, must total 55 or more. In either case, your surviving spouse must have been married to you for at least one year.

The bridge benefit will begin after payment of the 24th transition benefit. Bridge benefits cease if the surviving spouse (1) remarries, (2) attains either age 62 or the age at which full widow's or widower's insurance benefits or old age insurance benefits become payable under Social Security, or (3) dies.

Bridge benefits are not payable for any month for which a surviving spouse could qualify for a mother's or father's insurance benefit under Social Security, whether or not the survivor actually receives the mother's or father's benefit.

## YOUR CONTINUING INSURANCE

### After Age 65, or Retirement, If Earlier (Other Than for Total and Permanent Disability)

#### If You Have 10 or More Years of Participation . . .

at the earlier of (1) retirement (other than for total and permanent disability) or (2) attainment of age 65, your basic life insurance will be continued without cost to you for your lifetime. However, the amount of your basic life insurance will be reduced by 2% each month, until the amount equals 1-1/2% for each year of participation, times the amount in force at the earlier of (1) retirement (other than for total and permanent disability) or (2) attainment of age 65.

#### To Apply for Survivor Income Benefits . . .

an eligible survivor will be required to make a claim on a form provided by GM for that purpose and return it to the office which administers your life insurance.

#### ● An Eligible Widow or Widower . . .

may, with respect to benefits payable prior to January 1, 1989, waive survivor income benefits to receive a higher monthly benefit under the GM Retirement Program. The waiver can become effective as early as the first day retirement benefits are payable. To become effective, the waiver must be received by GM on, or before, the date the survivor applies for survivor income benefits. The waiver may be terminated at any time. The termination will become effective the first day of the second month following receipt by GM of appropriate notice from the survivor.

Effective with benefits payable to a surviving spouse for periods on and after January 1, 1989, survivor income benefits no longer will be subject to waiver, but will be reduced by the amount of any Retirement Program monthly Part A benefits to which the surviving spouse is entitled.

For example, an employee with 30 years of participation who has \$60,000 of basic life insurance in force upon retirement at age 62 would have the amount of insurance reduced by \$1,200 each month, commencing at retirement

$$\$60,000 \times 2\% = \$1,200$$

and \$27,000 of continuing life insurance remaining after all reductions.

$$1-1/2\% \times 30 = 45\%$$

$$45\% \times \$60,000 = \$27,000$$

The minimum amount of continuing life insurance is \$3,500.

The amount of basic life insurance will commence to reduce at age 65 for an employee who retires totally and permanently disabled.